

**Government of the District of Columbia**  
**Department of Insurance, Securities and Banking**



Thomas E. Hampton  
Acting Commissioner

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IN THE MATTER OF: )  
)  
)

Penn Treaty Network America Insurance Company, )  
Respondent )  
)  
\_\_\_\_\_ )

ORDER#: IB-05-10

**ORDER TO REINSTATE**  
**CERTIFICATE OF AUTHORITY**

Whereas, D.C. Official Code § 31-4305(a)(3) (2001 Ed ), grants the Commissioner of the Department of Insurance, Securities, and Banking ("Department") the power to revoke or suspend the certificate of authority to transact business in the District of any company which is determined to be in such condition that further transaction of business by the company will be hazardous to its policyholders, creditors, or the general public.

Whereas, Penn Treaty Network America Insurance Company, is a foreign corporation, that had been authorized to transact life and health insurance business in the District of Columbia under a certificate of authority issued pursuant to D.C. Official Code § 31-4304 (2001 Ed ), but whose authorization was suspended by the Commissioner based on information that the Department had received regarding the company's financial status

Whereas, the Pennsylvania Insurance Department had reported to the Commissioner that Penn Treaty Network America Insurance Company reported a statutory net loss of \$27, 597, 198 for the year ending December 31, 2000 and that the company's surplus at December 31, 2000 was \$12,468,098, which was down from \$49,287,993 at December 31, 1999.

Whereas, pursuant to D.C. Official Code § 31-2101(a)(2), the Commissioner determined that Penn Treaty America Insurance Company was in hazardous financial condition based upon a review of Penn Treaty Network America Insurance Company which revealed that the company had also failed 6 out of the 12 National Association of

Insurance Commissioners (NAIC) Insurance Regulatory Information System (IRIS) ratios.

Whereas, based on the company's hazardous condition, the Commissioner issued (ORDER#: SA01-002) on September 5, 2001, and suspended the Certificate of Authority of Penn Treaty Network America Insurance Company to transact business of insurance in the District of Columbia.

Whereas, on December 7, 2005, the records of Penn Treaty, including the company's financial statements and projections provided by the company, and both the NAIC standard comparing the loss in a 12 month to total capital & surplus and the most recent IRIS ratios were reviewed and examined by the Department to determine whether the financial condition of the company was sound and whether the surplus level had improved.

Whereas, the Department determined, based on its December 7, 2005 review that the financial condition of Penn Treaty was sound, the surplus level was sufficient to transact business in the District of Columbia, and that the company does not meet the NAIC hazardous financial condition criterion.

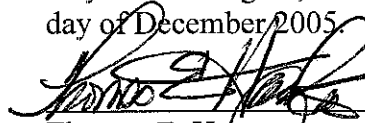
Whereas, based on the foregoing, the Department has concluded that Penn Treaty should be permitted to transact business in the District of Columbia and that its certificate of authority should be reinstated based on the belief that the reinstatement of the company's certificate of authority would not adversely affect the public interest.

Therefore, EFFECTIVE IMMEDIATELY, it is hereby ORDERED by the Acting Commissioner of the Department of Insurance, Securities, and Banking:

That the Certificate of Authority authorizing Penn Treaty Network America Insurance Company, a foreign corporation in the District of Columbia, to transact business of insurance in the District of Columbia is hereby REINSTATED, effective the date of this Order;

That Penn Treaty Network America Insurance Company shall be permitted to transact insurance business or related activities in the District of Columbia.

IN WITNESS WHEREOF, I have  
hereunto set my hand and affixed the  
official seal of this Department at the  
City of Washington, D.C., this 20th  
day of December 2005.

  
Thomas E. Hampton  
Acting Commissioner  
Department of Insurance, Securities,  
and Banking